GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2023
ANSWERED ON:15.03.2002
MINIMUM MATURITY PERIOD
UMMAREDDY VENKATESWARLU

Will the Minister of FINANCE be pleased to state:

(a): whether the RBI has reduced the minimum maturity period forCommercial Papers (CP) and Certificates of Deposits (CD) to 7 days from the earlier 15 days;

(b): if so, the details thereof and reasons therefor;

(c): whether the RBI has also received some suggestions from companies in this regard; and

(d): if so, the details with the response of RBI on the suggestions ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI BALA SAHEB VIKHE PATIL)

(a): No, Sir.

(b): Does not arise.

(c) & (d): Yes, Sir. According to the information furnished by Reserve Bank of India (RBI), a representation had been received in regard to Commercial Paper (CP). RBI felt that it may not be operationally viable to reduce the minimum maturity of CP to seven days.